

Thought Leadership

Most CEO survey respondents indicate that recruiting doctors and nurses is neither getting easier, nor is it getting more difficult. It has simply remained deeply challenging.

The End of Private Practice



Kurt Mosley

One of the “interesting” things those of us in healthcare recruiting learned last year is that while the healthcare industry may be “recession-resistant” it certainly is not “recession-proof.” Many people lost their health insurance last year and choose not to seek medical attention they could not afford. Others The traditional private practice physician, personified for millions of viewers by the actor Robert Young of the classic television show *Marcus Welby, M.D.*, (<http://www.museum.tv/eotvsection.php?entrycode=marcuswelby>) is becoming a relic of another time.

This is one finding of a new report which should be of interest to anyone who recruits physicians, or, for that matter, to anyone who is likely to see a physician (which means just about everybody). The report, which is entitled *Health Reform and the Decline of Physician Private Practice*, was completed by Merritt Hawkins on behalf of The Physicians Foundation – a national not-for-profit organization dedicated to enhancing the work of practicing physicians and the quality of patient care.

In July of 2010, Merritt Hawkins assembled a panel of leading healthcare experts, ranging from heads of major hospital systems to private practice physicians, to project the effects of health reform on medical practice in the United States. The panel’s report, released in November, includes a survey in which 2,400 physicians revealed their reactions to health reform and provided insight into their future practice plans.

The great majority of physicians surveyed (74 percent) said they plan to make one or a combination of the following career changes in the next one to three years as reform is phasing in. Nineteen percent plan to cut back on the hours they work, 16 percent plan to retire, 11 percent plan to become hospital employees, 14 percent plan to work on a temporary (i.e. locum tenens) basis, 12 percent plan to seek a job outside of healthcare, and eight percent plan to work part-time, while only 26% plan to continue practicing as they are.

The survey suggests, and the report’s panel members agreed, the traditional model of private practice, in which a physician owns his or her own shop, works a full week, and sees all comers, is no longer tenable. Both market forces and the new healthcare reform bill are

pushing doctors to consolidate into larger groups, to align with hospitals, or to become hospital employees. New payment systems, which reward doctors for both quality and efficiency, not just for volume of services performed, require data systems which private doctors often cannot afford or maintain. Private practice physicians also are faced with a growing amount of regulatory compliance responsibilities and with declining reimbursement, making private practice increasingly difficult to sustain.

Many private physicians unable or unwilling to become a part of larger organizations are seeking alternatives. Some are embracing part-time work in order to opt out of the rigors of private practice and to have more family time. Others are joining the growing ranks of locum tenens physicians – doctors who accept temporary practice assignments which can last from a few days to a year. Staff Care, a company affiliated with Merritt Hawkins which places locum tenens physicians, estimates 38,000 doctors now work on a temporary basis each year, up from 26,000 six years ago.

The result is an evolving physician workforce which is increasingly diverse and much less homogenous in terms of practice style than it has been in the past. Physician recruiters will need to adapt to these changes and incorporate all types of doctors – full-time, part-time, employed, independent, hospital-based, locum tenens – into their staffing plans in order to be successful.

To illustrate this point, the new report includes case studies of practice styles which Merritt Hawkins and the panel believe will be prevalent in the post reform era. Cases studies of a medical home, a community health center, an accountable care organization, and a concierge practice are included in the report.

The report also includes an analysis of the regulatory challenges health reform presents to physicians and a detailed discussion on how health reform is likely to affect physician supply and demand. Readers who would like a full copy of the report are welcome to email me at kurt.mosley@amnhealthcare.com.

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